

## Message Text

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PAGE 01 USNATO 03665 101834Z  
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-05 INR-10 L-03 ACDA-12  
NSAE-00 PA-02 SS-15 SP-02 ICA-20 TRSE-00 OMB-01  
ABF-01 NSC-05 /089 W  
-----072727 110216Z /14

R 101826Z APR 78  
FM USMISSION USNATO  
TO USCINCEUR VAIHINGEN GER  
CINCUSAFE RAMSTEIN AB GER  
INFO SECSTATE WASHDC 0644  
SECDEF WASHDC  
USNMR SHAPE BE

UNCLAS USNATO 03665

USCINCEUR FOR ECJ4/7; USAFE FOR INFRA/DEX

E.O. 11652: N/A  
TAGS: MARR NATO  
SUBJECT: CONTRIBUTIONS FOR WORKS PROGRAMMED UNDER THE  
EUROPEAN DEFENSE IMPROVEMENT PROGRAM (EDIP)

REFS: (A) USCINCEUR 3144, 281641Z FEB 78, (B) 77 USNATO  
7912, 181823Z AUG 77

SUMMARY. IN ITS MEETING OF 21 MARCH 1978 (AC/4-DS/1080)  
THE INFRASTRUCTURE COMMITTEE AGREED ON A PROCEDURE FOR  
ADJUSTING EXCESS CONTRIBUTIONS TO HOST COUNTRIES UNDER  
THE EDIP. THIS DECISION IS NOW FINAL. WE UNDERSTAND  
(REFS A AND B) THAT US COMMANDS WILL DEAL DIRECTLY WITH  
FRG AND ITALY ON ADJUSTMENT OF FUNDS FOR US-PREFINANCED  
EDIP PROJECTS IN THOSE COUNTRIES. END SUMMARY.

1. THE PROCEDURE APPLIED TO THE FUNDING OF EDIP DIFFERED  
FROM THE NORMAL INFRASTRUCTURE PROCEDURE IN THAT REQUESTS  
FOR CONTRIBUTIONS WERE NOT ADJUSTED FOR DISCREPANCIES  
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BETWEEN PREVIOUS CONTRIBUTIONS AND ACTUAL EXPENDITURES.  
AS A RESULT, SEVERAL NATIONS HAVE ACCUMULATED EDIP PAY-  
MENTS IN EXCESS OF ACTUAL EXPENDITURES FOR EDIP PROJECTS,  
WHILE OTHERS HAVE EXPERIENCED A NET DEFICIT.

2. REFS A AND B PROVIDE ANALYSES OF THE SPECIFIC DATA  
FOR US EDIP PROJECTS IN FRG AND ITALY. REF B SUGGESTED

(PARA 3) THAT AMOUNTS DUE TO USAFE FOR PREFINANCED EDIP PROJECTS IN THOSE COUNTRIES BE SIMPLY DEDUCTED FROM THE APPARENT OVERPAYMENTS MADE TO THE US. REF A REQUESTED USAFE COMMENTS AND PROPOSED ACTION, WITH INFO COPY OF REPLY TO USNATO. WE ARE NOT AWARE OF A USAFE RESPONSE TO REF A.

3. A SPECIAL WORKING GROUP OF THE INFRASTRUCTURE COMMITTEE EXAMINED THE OVERALL QUESTION OF EXCESS EDIP CONTRIBUTIONS AND RECOMMENDED THE SOLUTION WHICH WAS ADOPTED BY THE COMMITTEE IN ITS MEETING OF 21 MARCH 1978. TEXT OF DECISION FOLLOWS (AC/4-D/1080, ITEM IV):

BEGIN TEXT:

THE COMMITTEE: AGREED, SUBJECT TO CONFIRMATION BY ITALY, THAT HENCE FORTH THE PROCEDURE FOR MAKING ADJUSTMENTS BETWEEN THE EXPENDITURE INCURRED AND THE REQUESTS FOR CONTRIBUTIONS FOR NORMAL INFRASTRUCTURE SHOULD ALSO BE APPLIED TO EDIP; THIS ADJUSTMENT WOULD BE MADE BEGINNING WITH THE NEXT HALF-YEAR AND IN SUCH A WAY THAT COUNTRIES HAVING ADVANCES WITHIN THE EDIP FRAMEWORK WOULD NEVER BE PLACED IN THE POSITION OF HAVING TO MAKE REIMBURSEMENTS IN EXCESS OF CONTRIBUTIONS TO BE RECEIVED.

END TEXT.  
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THIS DECISION IS NOW FINAL.

4. WE SUGGEST THAT THE US COMMANDS INVOLVED MAY WISH TO MAKE A FINAL DETERMINATION OF ANY AMOUNTS DUE THE US FOR EDIP PROJECTS, AND TO DEAL DIRECTLY WITH FRG AND ITALY ON THE ADJUSTMENTS TO BE MADE BEFORE THOSE COUNTRIES FILE SEMI-ANNUAL FINANCIAL STATEMENTS MID-1978 WHICH COULD RESULT IN A REQUIREMENT THAT THE US REIMBURSE NATO FOR PREVIOUS EXCESS PAYMENTS. PLEASE PROVIDE USNATO INFO COPIES OF RELEVANT LETTERS OR MESSAGES. BENNETT

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** REGIONAL DEFENSE ORGANIZATIONS, FINANCIAL CONTRIBUTIONS, PROGRAMS (PROJECTS)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 10 apr 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 jan 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978USNATO03665  
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**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
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**Errors:** N/A  
**Expiration:**  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Reference:** 77 USNATO 978  
**Retention:** 0  
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**Status:** NATIVE  
**Subject:** CONTRIBUTIONS FOR WORKS PROGRAMMED UNDER THE EUROPEAN DEFENSE IMPROVEMENT PROGRAM (EDIP)  
**TAGS:** MARR, NATO  
**To:** USCINCEUR CINCUSAFE MULTIPLE  
**Type:** TE  
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**Review Markings:**  
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